



**Homelessness Intervention Program
Program Guidelines
Fiscal Years 2011-12 (July 1, 2010 – June 30, 2012)**

Homeless Intervention Program (HIP) Overview

The Virginia Department of Housing and Community Development (DHCD) awarded Homeless Intervention Program (HIP) grants to nonprofit agencies and local governments to prevent homelessness through the provision of supportive services, security deposits, and rental and mortgage assistance to individuals and families throughout the Commonwealth of Virginia. DHCD provided the awards through an appropriation from the State General Fund.

Grantees were selected for a two year period (July 1, 2010 – June 30, 2012) based on a competitive application process. One year contracts have been issued for the first year period (July 1, 2010 – June 30, 2011) and will be renewable based on compliance, performance and available funding.

Funding Levels

DHCD reserves the right to de-obligate and reallocate grantee funds at any point during the contract term based on compliance, performance and the availability of funding.

Eligible Service Areas

HIP is a statewide program and as such is available to providers throughout the Commonwealth of Virginia.

Grantees will be awarded funds based on primary service areas. However, grantees must provide service to eligible applicants outside their proposed primary service areas as needed to ensure access to all eligible citizens. There is an expectation of coordination of HIP services among grantees.

Objective of HIP Funding

The objective of HIP is to provide grant funds for temporary rental or mortgage assistance and supportive services related to housing and financial literacy in order to achieve permanent housing.

Eligible Activities

HIP may be used for one or more of the following activities:

- Grantees must use a minimum of 75 percent of the HIP award to provide financial assistance through rental, mortgage or security and utility deposit assistance for clients within 80 percent of the area median income as published by the U.S. Dept. of Housing and Urban Development. Grantees may set modified income guidelines through the agency that fall within these parameters. Agency income eligibility parameters must be outlined through policy and available upon request.
- Grantees may use a maximum of 20 percent of the HIP award to provide supportive services. These include expenses associated with direct services staffing costs.
- Grantees may use a maximum of five percent of the HIP award to cover administrative costs associated with their HIP program.

Eligible Program Participants

Program participants must be households earning within 80 percent of the area median income. ("Household" is defined as all clients including single individuals and families.)

- Program participants may be:
 - Renters in arrears
 - Homeowners in arrears
 - Renters or homeowners in danger of arrearages
 - Homeless or victims of domestic violence residing in a shelter or some other form of temporary housing
- Program participants must be households experiencing a temporary financial crisis. HIP is not intended to be long-term, repeat assistance. The program is intended to help to prevent homelessness through securing and maintaining permanent housing.
- Grantees must establish internal organizational policies and processes related to priority populations, housing barrier, sustainability criteria and client selection.

A HIP Minimum Requirements Forms must be completed for all households receiving HIP assistance (see required forms). This form and any additional verification documentation must be available for review upon request.

Types of Financial Assistance

Rental Assistance

Rental assistance is tenant-based rental assistance that can be used to allow individuals and families to remain in their existing rental units or to help them obtain and remain in rental units they select.

- Rental assistance may not exceed rental costs accrued over a period of nine months (this includes past rental charges).
- Rental assistance must be used for rents that fall within 150 percent of the Fair Market Rent (FMR).
- Rental assistance must only be provided for those households earning within 80 percent of the area median income.
- Grantees are encouraged to provide "shallow subsidies" or partial payments when appropriate, these amounts should be based on household income and budget analysis.
- All rental assistance must be provided as a grant only.
- Payments may be made to relatives of the qualifying household under the following conditions:
 - The relative must have two or more rental units and the units cannot be in the place of the residence of the landlord.
 - The head of household must be named in a formal, valid lease that is in compliance with tenant/landlord laws.
- Rental and/or security deposit assistance applications must be processed within 15 working days from the receipt of all necessary documents and information required to determine eligibility. If the process unavoidably takes more than 15 working days, then the reason should be clearly documented.
- Late fees directly associated with past rent charges may be made.

- Obligated amounts must be reviewed with clients and documented in client files. Any modification of obligated amounts and circumstance related to the modification must be communicated with the client and documented in the client file.

Mortgage Assistance

- Mortgage assistance may not exceed mortgage costs accrued over a period of nine months (this includes past mortgage payments).
- Mortgage assistance may not exceed mortgage payments comparable to 150 percent of Fair Market Rent.
- Grantees are encouraged to provide “shallow subsidies” or partial payments when appropriate, these amounts should be based on household income and budget analysis.
- Mortgage assistance is restricted to the household’s primary residence and must be occupied by the household.
- Mortgage assistance applications must be processed within 30 working days from the receipt of all necessary documents and other information necessary to determine eligibility.
- Mortgage assistance may be provided in the form of a no interest loan that may be deferred for a period of time. A policy must be established related to repayment and available upon request. Repayment schedules should be based on the household’s ability to repay.
 - All repaid funds must be tracked internally and used for HIP financial assistance.
 - Grantees must establish all appropriate loan documentation in order to secure loans. Copies of any relevant materials must be included in the case files. Use of all related documents must be included in the policies and procedures implemented.
 - If a forbearance (agreement to temporarily discontinue payments) or altered payment schedule is agreed upon, it must be put in writing and signed by both parties.
 - “Debt set-off” or garnishment of wages may not be used to recapture loan funds
 - Grantees may secure a lien on the property and record the debt with the local municipality in order to ensure loan repayment upon the sale of the home. The period of repayment should be reasonable (e.g. within five years). This process should be established internally. The policy must be in compliance with local, state and federal regulations and approved in writing by DHCD.
 - Foreclosure must not be pursued
- Late fees directly associated with mortgage arrearages may be made.
- Obligated amounts must be reviewed with clients and documented in client files. Any modification of obligated amounts and circumstance related to the modification must be communicated with the client and documented in the client file.

Security Deposits

- The maximum amount of security deposit assistance that can be provided is the amount of the rent deposit, utility deposit and the key deposit (any one or a combination) that is needed to secure permanent housing, providing the rental portion of the deposit does not exceed 150 percent of the FMR.
- Obligated amounts must be reviewed with clients and documented in client files. Any modification of obligated amounts and circumstances related to the modification must be communicated with the client and documented in the client file.

Financial Assistance Payments

- All payments must be made to a third party vendor (landlords, mortgage companies and/or utility companies).
- All arrearages must be paid in one lump sum, but current and future rental and mortgage payments must only be paid one month at a time, with the payment contingent upon client compliance with outlined expectations of the program.
- A payment system that tracks obligated funds and payments, accounts for all program funds and generates accurate reports must be established.

Ineligible Activities

HIP may not be used for the following activities or for any activity that is in violation of federal law or the laws of the Commonwealth of Virginia:

- Services related to unaccompanied minors who are not legally emancipated
- Services for individuals residing in state-run programs/institutions
- Services for which Section 8 rental vouchers or other rental subsidies that cover fair market rent costs are being provided
- Rental assistance for non lease bearing tenants
- The provision of hotel/motel vouchers

Supportive Services

- Grantees must provide services throughout the term of the 12 month contract. Grantees are encouraged to budget funds throughout the year in order to provide financial assistance year round. If this is not possible, supportive services still must be provided year round.
- Grantees must meet with clients minimally on a monthly basis to review permanent housing and sustainability plans and refer them to services related to permanent housing and sustainability. Documentation of these meetings must be kept in client files.

Termination of Participation and Grievance Procedure

Grantees may terminate assistance provided by HIP funded activities to clients who violate program requirements. The termination, however, must allow for the due process of the terminated client's rights and be based on written program policies subject to DHCD approval.

Grantees must have in place a procedure that governs the termination and grievance process. These procedures should describe the program requirements and the termination process, as well as the grievance procedure that might, for example, allow clients to request a hearing regarding the termination of their assistance. The procedure should be reviewed with clients in writing and verbally upon intake. A client signed copy should be available for review in files.

In addition, the grievance procedure should include a process of appeal for those applicants determined to not have met the minimum requirements of the HIP program. This procedure must be made available upon request.

Grantees must be able to demonstrate compliance with the Termination of Participation and Grievance Procedures requirement, which will be confirmed through DHCD monitoring of grantees.

Ensuring Confidentiality

To ensure the safety and security of clients, grantees are required to develop and implement procedures to guarantee the confidentiality of client records. At a minimum, all client paper files and records should be secured when not in use in a locked file cabinet. Client records and files that are stored electronically must be password protected and should only be accessed by authorized agency personnel. Unique client identifiers should be used whenever possible. Confidentiality statements should be used and signed by any staff, volunteers or outside individuals who have access to client information.

Performance Measures

Grantees must be able to document that a minimum of 70 percent of households provided with HIP financial assistance are in permanent housing six months after the final HIP payment has been made.

HMIS

Grantees are required to report program participant-level data, such as the number of persons served and their demographic information, in a Homeless Management Information System (HMIS) database. HMIS is an electronic data collection system that facilitates the collection of information on persons who are homeless or at risk of becoming homeless that is managed and operated locally. Applicants that are not using HMIS at the time of application must have an organizational plan to implement and use it during the first year of the grant.

Continuum of Care Planning Groups

DHCD requires applicants to be actively involved in their local Continuum of Care (CoC) planning group. Each applicant must be certified as an active member and as performing a needed and unduplicated service by their CoC Chairperson. If the chair for the applicant's CoC is an employee or volunteer at the applicant's agency, another CoC member in a leadership position should certify this assurance. A completed *Continuum of Care Participation Certification* from each locality of the proposed service area must be submitted with the application (see required documents).

Performance Reports

Grantees must be able to track and report HIP activities, program participant data, and spending separate from other activities. Minimum reporting requirements will include quarterly reports. Grantees will report on outputs, such as the number of persons served and the demographic characteristics of persons served, and HIP funds expended by activity type.

Other Requirements

Recordkeeping

Grantees must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that DHCD may require available within the timeframe required. All program and program participant records must be maintained for at minimum of five years.

DUNS Number

Grantees are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so. For more information see 73 FR23483, April 30, 2008 or go to: http://www.dnb.com/US/duns_update/.

Monitoring

- DHCD is responsible for monitoring all HIP activities carried out by a grantee, to ensure that the program requirements are met.
- Monitoring may review the following:
 - An organizational chart showing titles and lines of authority for all individuals involved in approving or recording financial (and other) transactions
 - Written position descriptions that provide details of the responsibilities of all key employees
 - A written policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures
 - Written procedures for the recording of transactions, as well as an accounting manual and a chart of accounts
 - Adequate separation of duties to assure that no one individual has authority over an entire financial transaction
 - Hiring policies to ensure that staff qualifications are equal to job responsibilities and that individuals hired are competent to do the job

- Control of access to accounting records, assets, blank forms, and confidential records are adequately controlled, such that only authorized persons can access them
- Procedures for regular reconciliation of its financial records, comparing its records with actual assets and liabilities of the organization
- Accounting records/source documentation
- Cash management procedures
- Procurement procedures
- Property controls
- Annual audit

Conflicts of Interest

Grantees must establish a conflict of interest policy specific to HIP. It must ensure that no person who is an employee, agent, consultant, officer, volunteers or elected or appointed official of the grantee and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds hereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

Upon the written request of the grantee, DHCD may grant an exception to the restrictions in the paragraph above on a case-by-case basis when it determines that the exception will serve to further the purposes of the HIP program and promote the efficient use of HIP funds. In requesting an exception, the grantee must provide a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.

Nondiscrimination and Equal Opportunity Requirements

Grantees must comply with all applicable federal civil rights requirements. No person shall be excluded from services based on the ground of race, color, religion, sex, age, national origin, familial status or disability.

This may mean providing language assistance or ensuring that program information is available in the appropriate languages for the geographic area served by the jurisdiction and that limited English proficient persons have meaningful access to HIP assistance. If the procedures that the grantee intends to use to make known the availability of HIP services are unlikely to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for such services, the grantee must establish additional procedures that will ensure that such persons are made aware of the rental assistance and services.

Among other things, this means that the grantee must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964.

Audits

Grantees operating with an annual budget of \$500,000 or more are required to have annual audits conducted in compliance with OMB A-133 standards. Those grantees with annual budgets of less than \$500,000 should complete a review of financial statements annually conducted by an independent agent. Annual audits or review of financial statements, whichever is appropriate, must be within six months following the end of the grantee's fiscal year.

Time Sheets

Employee time sheets should reflect actual times, not percentages. Likewise, time sheets should be signed and dated (or equivalent electronic approval) by the employee and the supervisor having first-hand knowledge of the work performed. If the expenditures are paid for by more than one source (e.g., state, federal, United Way, private donations) the split costs should be accurately tracked within the grantee's accounting system.

Communications

All forms, publications and applications are available electronically on the DHCD website: <http://www.dhcd.virginia.gov>. In addition, DHCD uses email as the primary means of regular and on-going communication with grantees. Therefore, it is required that awarded agencies have ready access to a computer, with internet access and email addresses for employees. Grantees must inform DHCD of contact information changes.

Method of Payment

Disbursements will be made on a quarterly basis on DHCD's schedule. Grantees must submit *Requests for Reimbursement*. The *Requests for Reimbursement* are reviewed by DHCD staff and approved for reimbursement based on the information submitted. HIP monitoring will review full source documentation for specific reimbursement periods. Any item found to be ineligible and/or unsupported must be paid back in full to DHCD. DHCD reserves the right to reduce subsequent reimbursements by the amount of any ineligible and/or unsupported cost. Any grantee with unresolved findings or compliance issues may have reimbursement suspended. Any applicant with unresolved findings or compliance issues is ineligible for HIP funding through this program.

Grantees are required to receive funds via electronic transfer. To establish an account go to the Virginia Department of Accounts web site (<http://www.doa.virginia.gov>) and select EDI (Electronic Data Interchange) from the links on the right hand side of the page. The EDI guide then may be accessed through a link under the Trading Partner.

Initial Allocation

An initial allocation equal to 33.3 percent (estimated to be four months of expenditures) of the award amount is available to grantees electing to access it. DHCD must receive all required documents including; initial allocation form, budget, signed grant agreement and any outstanding documents prior to the release of the initial allocation.

Documentation of expenditures billed against the initial allocation must be submitted after the remainder of the award has been received through the request for reimbursement process. Expenses not incurred by March 31, 2011 should be projected and received by DHCD by April 10, 2011.

Quarterly Reports

In order to maintain funding, organizations **must** electronically submit quarterly reports to DHCD by the 10th of the month following the end of the quarter. Late, incomplete or inaccurate information is grounds for delay in payment and/or termination of the grant agreement.

HIP Minimum Requirements Form

To be completed with all appropriate documentation prior to enrollment. All documentation must be included in client's case file.

Head of Household Full Name: _____

Client Identifier: _____

Date Completed: _____

Household Income:

Household income based on Section 8 income eligibility standards is at or below 80 percent Area Median Income (AMI). *Include a copy of income eligibility determination printed out from <https://webapps1.hud.gov/hfc/calculator>. The 2010 Area Median Income Limits are found at <http://www.huduser.org/portal/datasets/il/il10/index.html>*

FY 2010 Median Income	80 Percent Income Limits	Number of Person	Program Participant HH Income*

*income for all adults living in the household should be included

What documentation is included to verify household income (to be included in the file)?

Current household living/housing arrangement:

Type of financial assistance needed:

Amount of financial assistance obligated at the time of enrollment:

Factors considered in determining obligation:

Determination of Program Eligibility Completed By (name of staff):

PRINT NAME OF STAFF PERSON

STAFF PERSON SIGNATURE

Program Participants must confirm accuracy of information used to determine program participate eligibility:

I certify that all information provided for determining HIP program eligibility are true and accurate.

PRINT NAME OF PROGRAM PARTICIPANT

PROGRAM PARTICIPANT SIGNATURE

Date : _____